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Steps to Retirement

This 2006 Retirement Guide is addressed to both Department of State Foreign Service and Civil Service personnel. The general guidance applies as well to all six non-State Foreign Service agency personnel. Many programs and services are now available to help you make this career transition. This guide shows you how to make the most of these programs and services and lays out a timeline for you to follow to get from here to there in the smoothest way possible. We are committed to assisting you throughout this process, which, as the first agenda item indicates, starts with you—informing yourself and taking the initiative to get this process moving.

NOTE: To access numbered AskRNet questions, visit <http://askrnet.hr.state.gov/> on the State Department Intranet, enter the question number into the search field, and press Go. Access categories by selecting them on the left side of the screen. RNet is located at <http://www.rnet.state.gov/>.

Step 1: Getting Organized Early

1. Do Your Homework

Familiarize yourself with the forms and instructions on RNet, the Department's retirement network, at <http://www.rnet.state.gov/>. Look up frequently asked questions on AskRNet, on the State Department Intranet at <http://askrnet.hr.state.gov/>. If you do not see what you are looking for, send a message to AskRNet at RNet@state.gov.

2. Confirm Your Eligibility

Are you eligible to retire? Review the age and length of service requirements for your retirement plan. Make sure you are eligible before you apply. Sick leave is not credited in determining when an employee is eligible to retire. Note: There is a difference between your Service Computation Date (SCD) for Leave and your SCD for retirement purposes. Do not use your SCD for Leave when determining Retirement eligibility.

AskRNet:

- 4901 - [When can I retire from the Foreign Service?](#)
- 4534 - [How can I determine if I will qualify for Retirement?](#)

- 4993 - [How do I determine if I am eligible for voluntary retirement or if I would have to resign?](#)

RNet:

- On the homepage, select “[My Retirement](#)”. Registration is not required.

3. Review your e-OPF and Retirement File

Is your file complete and in order? Are all Prior Service Credit issues taken care of? Prior Service Credit could affect your annuity. Prior Service Credit should be taken care of well in advance of retirement and not deferred until retirement. It may take months to adjudicate your claim. If your file turns up service credit time, you should start well in advance of your planned retirement date if you want to get credit. Work with your Retirement Counselor to resolve questions about service history and credit toward retirement. By the time you are ready to apply for retirement your file should be ready to go.

AskRNet:

- Prior Civilian Service and Prior Military Service categories

4. Use the Annuity Benefits Calculator (ABC) and Personal Benefits Statement (PBS)

Run various scenarios to determine the best date to retire. Although the ABC can provide you with a good approximation of your annuity, please be aware that it is only an estimate. The Office of Retirement will do the final, official calculation.

Run your Personal Benefits Statement and review your benefits. Make sure you understand your entitlements in each category.

AskRNet:

- 4580 - [How can I approximate the amount of my annuity?](#)
- 5586 - [What is Virtual Locality Pay?](#)
- Annuity Computation category

Other online resources:

- The Annuity Benefits Calculator and the Personal Benefits Statement are available through e*Phone on the State Department Intranet at <http://ephone.irm.state.gov> or through Employee Express at <https://www.employeeexpress.gov/>

5. Choose your specific retirement date carefully

Have you taken into consideration the impact of retirement on other service related financial obligations? Have you been overseas for 12 months since you last took home leave, or have you been in a domestic assignment for at least six months? Did you accept any portion of the Home Service Transfer Allowance or the Domestic Relocation Allowance within the last year? Have you completed the required length of service since you had long-term training at non-USG facilities? If you signed a Physician's Comparability Allowance (PCA), have you served one year yet? Have you fulfilled your tour-of-duty requirements since taking your last R&R trip at government expense? Do you qualify for USG paid travel and shipment of effects?

If you do not know or if you answered no to any of these questions, contact your HR specialist or Management officer. You may need to show proof of repayment to complete processing your retirement.

If your retirement at the end of September is mandatory, you may choose to enhance your cost of living adjustment by retiring on September 29 instead of September 30.

AskRNet:

- 4889 - [I am in the Foreign Service. What is the best day of the month to retire?](#)
- 5014 - [What is the best date to retire this year? I am in the Civil Service and would like to retire at the end of the year.](#)
- 6380 - [If I have to retire at the end of September in 2006, should I retire on September 29 or 30?](#)

6. Maximize your Thrift Savings Plan (TSP)

Set your contribution rates to reach the IRS contribution ceiling based on the retirement date you select. Now that you are not limited to making changes during open seasons, you can adjust your TSP contributions at any time.

Other online resources:

- See the Thrift Savings Plan at <http://www.tsp.gov/> for forms and information.

7. Maximize your lump sum payment for Annual Leave

The ceiling on annual leave for Senior Foreign Service officers is 720 hours (you may have been grandfathered in with a higher ceiling). If you have more than that amount at the start of the first pay period of the year, you can lose leave. If you have more than that amount and you retire before your leave balance is reduced at the start of the first pay period of the year, you will be paid for the entire balance of unused annual leave. For this reason, many officers do not take annual leave during their last year of duty.

The maximum amount of leave that could be accrued would be 720 hours plus the amount a senior officer could earn in one calendar year, i.e. 208 hours (8 x 26 pay periods), for a total lump sum payment of 928 hours. While paid as a lump sum at the prevailing rate at the time of payment, the pay rate applies on an “as if used basis”. Any adjustments during the “as if used period” are paid retroactively and should be requested.

You should be aware, however, that if you enroll in the Job Search Seminar prior to retirement, you have to retire on the last day of the seminar and therefore will not earn annual leave for the rest of the year.

Federal employees can use the leave chart listed below to plan out their work year. The leave year began on January 8, 2006 for most employees and ends on January 6, 2007.

AskRNet:

- 5878 - [Is there any maximum on the lump sum payment for Senior Foreign Service employees?](#)
- 5064 - [May I take annual leave before I retire or separate?](#)
- Search for Annual Leave

Other online resources:

- OPM Leave Fact Sheets at <http://www.opm.gov/oca/leave/html/factindx.htm>
- 2006 Leave Chart at <http://govexec.com/pay/pay06/06leavechart.xls>
- (Key: H = Federal Holiday, W = Weekend)
- 2006 Leave Calculator at <http://govexec.com/pay/pay06/leavecalculator06.xls>

8. Maximize credit for sick leave at retirement

Whether you get credit toward retirement for unused sick leave depends on whether you are in the “old” retirement system, FSRDS, or the “new” system, FSPS.

- The service of an FSRDS/FSRDS Offset participant who retires on immediate annuity or dies leaving a survivor entitled to survivor annuity is increased by the hours of unused sick leave to the employee’s credit in monthly increments.
- Creditable sick leave (calendar years, months and days) is added to the years, months and days of regular service, then the odd days are dropped. For example, if an employee under FSRDS had 20 years, 6 months and 15 days of regular service and 1 month, 20 days of sick leave, s/he would receive credit for 20 years, 8 months of service. The (5) odd days, would be dropped from the computation.
- A participant in FSPS with an FSRDS component to the annuity receives credit in the FSRDS annuity component for the smaller of the unused sick leave s/he had when s/he switched to FSPS or the unused sick leave balance at retirement.
- A participant in FSPS who does not have an FSRDS component to his or her annuity receives NO credit for unused sick leave.
- Sick leave does not affect the high three average salary calculation; it is not credited in determining when an employee is eligible to retire. However, unused sick leave may be credited without regard to the 35-year limitation.

AskRNet:

- 4535 - [What happens to unused sick leave in relation to retirement?](#)
- 4876 - [How can I get maximum credit for my sick leave at retirement?](#)

9. The role of the Career Development and Assignments Office (CDA) in your retirement

Start the process with your Career Development Officer (CDO) and your bureau, especially if you are departing prior to the scheduled end date of your tour of duty. HR/CDA will help you plan your departure from post, shipment of effects and other transportation issues. The bureau will advertise and fill your position. CDA can also help you register for the Job Search Program and/or the Retirement Planning Workshop. Your HR technician in CDA (not HR/RET) will help you obtain your travel orders.

Other online resources:

- HR/CDA at <http://hrweb.hr.state.gov/cda/> on the State Department Intranet

10. For Civil Service: the Role of your Executive Office in your Retirement

Civil Service retirement processing begins with your Bureau Executive Office. Papers are processed from your Executive Office through HR/RET and sent to RM/RAD for certification before submitting to the Office of Personnel Management.

11. The Job Search Program and the Retirement Planning Workshop

It is a good idea to take the **Retirement Planning Workshop** (FSI course RV 101) so you can learn about your annuity, financial and estate planning, tax issues, health and well being, lifestyle changes and continued employment in retirement. It is suggested that employees attend the Retirement Planning Workshop within five years of retirement eligibility.

You can get a head start to your retirement planning, however. Two days of the Retirement Planning Workshop, “Annuities, Benefits and Social Security” (RV 104) and “Financial Management and Estate Planning” (RV 103) are stand-alone, one-day courses and can be taken at any time in your career.

Completion of the four-day Retirement Planning Workshop is a prerequisite for enrollment in the **Job Search Program**. The Job Search Program helps participants acquire the skills and knowledge needed to be successful in a job search through an intensive learning experience of individual/group training and counseling. It offers a wide variety of outside speakers and other activities to aid in the decisions of what to do after retirement and how to go about finding a job. The course emphasizes skills assessment, resume preparation, interviewing techniques and networking.

You may be authorized per diem to take the four-day Retirement Planning Workshop by requesting it through your Career Development Officer. If assigned to a post outside Washington, eligible employees will be authorized four additional days of consultations to attend the workshop. No additional transportation costs will be authorized. Eligible employees who are under travel/transfer orders to an assignment other than Washington, D. C. or who are on home leave/return orders will be authorized per diem to attend the workshop.

Before beginning the Job Search Program, all participants must apply for retirement and agree to *retire immediately upon completion of the program*. You may also take the course during your first year of retirement, but you have to apply for the course *before* you retire. Should you attend the Job Search Program in the year after you retire, you will not be paid for attendance. Your annuity will be your only remuneration. Finally, if you travel to D. C. from your last assignment abroad to attend the Retirement Planning Seminar and the Job Search Program, you are not eligible for per diem. You retire as if you were still at your previous post.

AskRNet:

- Search for Job Search Program
- Search for Retirement Planning Workshop
- Register for these courses at <http://fsi.state.gov/fsi/tc/> on the State Department Intranet

12. Re-employment after Retirement – WAE (FS)

If an FSRDS/FSPS annuitant is reemployed under a full-time Civil Service, Legislative or Judicial Branch appointment, or a Presidential appointment (other than a part-time, intermittent or time-limited appointment), payment of the employee’s annuity terminates. At the conclusion of the appointment, payment of the annuity resumes, together with intervening cost of living adjustments (COLAs) applicable during the period of reemployment.

Benefits may be continued, subject to the cap on total compensation *and* the limit on the number of hours worked, when the annuitant is reemployed in Federal service on a part-time, temporary or intermittent basis. Employment in a private company or on a personal services contract (PSC) does not trigger suspension of one's FSPS or FSRDS annuity, but payment of the supplement to FSPS annuitants may be terminated if the annuitant's earned income (from any source, but not investment income) exceeds a specified amount.

It is your responsibility to notify the Office of Retirement if you are re-employed.

AskRNet:

- Reemployment category

13. 90-Day Rule

Once your retirement date is set, you must have all your paperwork completed and submitted to the Office of Retirement at least 90 days beforehand. The Office of Retirement can only guarantee that your annuity will start one month after you retire if you deliver your documentation 90 days before you plan to retire.

Step 2: Starting the Process - Early

14. You must first apply and be approved to retire

Submit your Application for Retirement (DS-5004) and Foreign Service Residence and Dependency Report (OF-126), both available at <http://www.rnet.state.gov/forms.cfm> in the Foreign Service Retirement Package to the Office of Retirement (RET). Once approved, RET will transmit these documents to CDA, and you will be paneled to retirement.

15. EP+

Be sure to update your profile on EP+ for Retiring Employees, within HR Online (<http://hrweb.hr.state.gov/hronline/>). You can include relevant work experience and skills gained outside your Foreign Service career. It is the gateway to working on a When Actually Employed (WAE) basis and possibly serving in the Standby Response Corps, but you must be registered with one of the bureaus to be employed.

AskRNet:

- 4900 – [What is EP+ for Retiring Employees?](#)
- 5676 – [How do I sign up for EP+ Professional Profile for Retired Employees?](#)

16. Review and Fill Out Forms

Fill out the forms appropriate to your retirement. There are about 50 different forms, and some are not applicable to all retiring employees. You can obtain them at <http://www.rnet.state.gov/forms.cfm> in the Foreign Service Retirement Package (click on Forms from the Front Page, no registration required).

17. Checklist:

“Who Does What – the **Eight Stop Shop**”: RET, CDA, FSI, MED, DS, CA, L, RM/RAD
(STATE EMPLOYEES ONLY)

_____ **Travel orders** for you and your eligible dependents will be processed by your **HR/CDA** personnel technician. Information on travel to your separation address and **shipment of your effects** may be obtained from your HR/CDA technician (see <http://hrweb.hr.state.gov/cda/> on the State Department Intranet) and the Office of Transportation, **OPR/ST** (see <http://a.state.gov/default.asp?CatID=1&SubCatID=8> on the State Department Intranet).

_____ Please initiate your separation **medical examination** for yourself and your eligible family dependents prior to your effective date of retirement by contacting **M/MED** directly (Telephone: 202-663-1779, see <http://med.state.gov/> on the State Department Intranet). The separation medical exam may be taken at post if there are adequate facilities.

_____ **Diplomatic passports** for you and your eligible dependents will need to be canceled prior to your effective date of retirement. Please have them canceled at the **Passport Office**, Room 1252, HST Building.

_____ If you are retiring from the Department, your U. S. Department of State **ID Card** must be turned in to your **Bureau Executive Office** on your last day, and you need to complete the form OF-109, Separation Statement. You can obtain this form on RNet at <http://www.rnet.state.gov/forms.cfm>, under the Foreign Service Retirement Package.

_____ If you are retiring from overseas, your U. S. Department of State ID Card along with the OF-109, Separation Statement, must be turned in to your Management Officer overseas and forwarded to Diplomatic Security.

_____ A **retiree ID card** will be issued to you by **HR/RET**.

_____ Upon arrival from post for consultations prior to retirement or to attend the Retirement Planning Workshop and/or the Job Search Program, please submit your completed **DS-1707, Leave, Travel, and Consultation Status**, to your **HR/RET** Retirement Counselor.

_____ Senior officers subject to the **Financial Disclosure Report** requirements must file with **L/EMP/FD** the Termination Certificate Statement and the departure form SF-278, Executive Branch Personnel Public Financial Disclosure Report, upon retirement. The completed form SF-278 (termination) is due within 60 days (includes initial 30 days plus 30 days grace period) from the date of separation and forwarded directly to the Office of the Legal Advisor at the following address: U. S. Department of State, Office of the Legal Advisor, Room 5425, 2201 C Street, NW, Washington, DC 20520-6419, Telephone: (202) 647-6668. You can obtain these forms on RNet at <http://www.rnet.state.gov/forms.cfm> in the Executive Branch Personnel Public Financial Disclosure Package.

_____ **HR/RET** submits your paperwork to RM/RAD (the Retirement Accounts Division) for processing. All payroll questions should be addressed to payhelp@state.gov (Payroll Customer Support).

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